DEC 8 1952

MEMORANDUM FOR: Deputy Director of Central Intelligence

SUBJECT:

Materiel Procurement, Fiscal Year 1954

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1. Reference is made to recent statement by DD/A that we contemplate a fiscal year 1954 materiel procurement program amounting to approximately and your instructions to me to provide details.

2. As nearly as I can determine, the DD/A based his statement on an OFC estimate made to the Procurement and Supply Office several months ago which included hot war stockpiling requirements and did not include the action. This estimate is being used by the Proresults of curement and Supply Office of DD/A for long range projection. My office has been in constant touch with this situation and revision of estimates has been delayed by mutual agreement during current reorganization and cut-back phase. We are told by Procurement and Supply Office that this delay is not as yet creating difficulties for them, and that Defense Department has been informed of the situation.

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- 3. The OFC fiscal year 1954 budget presentation for material re-This figure reflects quirements totaled only action and excludes all hot war stockpiling requirements which should basically be financed by the Defense Department.
- 4. The total restriction placed on the fiscal year 1954 budget by the DCI after presentation referred to in paragraph 3 above was made, will necessitate a further cut, which is now being coordinated between my office and the Comptroller. The final figure for DD/P fiscal year 1954 materiel requirements to be specifically included in our budget will probably be somewhat less than the figure. Any additional requirements which may develop unexpectedly during the 1954 fiscal year will be justified for special financing from Agency reserve funds.
- figure for materiel 5. I have been informed that the requirements has been mentioned verbally in preliminary fiscal year 1954 budget discussions with the Bureau of the Budget.

Called Design of Michael

FRANK G. WISHER Deputy Director (Plans)

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